

Senate File 552 - Introduced

SENATE FILE 552
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SF 135)

A BILL FOR

1 An Act relating to utilities at rental properties and
2 landlords' ability to use security deposits to satisfy
3 delinquent utility accounts.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 384.84, subsection 3, paragraph c, Code
2 2021, is amended to read as follows:

3 c. A city utility or enterprise service to a property or
4 premises shall not be discontinued or disconnected unless prior
5 written notice is sent, by ordinary mail, to the account holder
6 in whose name the delinquent rates or charges were incurred,
7 informing the account holder of the nature of the delinquency
8 and affording the account holder the opportunity for a hearing
9 prior to discontinuance or disconnection of service. If the
10 account holder is a tenant, and if the owner or landlord of the
11 property or premises has made a written request for notice,
12 the notice shall also be given to the owner or landlord within
13 thirty days of the delinquency. If the account holder is a
14 tenant and requests a change of name for service under the
15 account, such request shall be sent to the owner or landlord
16 of the property if the owner or landlord has made a written
17 request for notice of any change of name for service under the
18 account to the rental property.

19 Sec. 2. Section 384.84, subsection 4, paragraph d,
20 subparagraphs (1) and (2), Code 2021, are amended to read as
21 follows:

22 (1) Residential or commercial rental property where
23 a charge for water service is separately metered and paid
24 directly to the city utility or enterprise by the tenant is
25 exempt from a lien for delinquent rates or charges associated
26 with such water service if the landlord gives written notice to
27 the city utility or enterprise that the property is residential
28 or commercial rental property and that the tenant is liable
29 for the rates or charges. A city utility or enterprise may
30 require a deposit not exceeding the usual cost of ninety days
31 of water service to be paid to the utility or enterprise. Upon
32 receipt, the utility or enterprise shall acknowledge the notice
33 and deposit. A written notice shall contain the ~~name of the~~
34 ~~tenant responsible for charges,~~ address of the residential or
35 commercial rental property that the tenant is to occupy, and

1 the date that the occupancy begins.

2 (2) ~~A change in tenant for a residential rental property~~
3 ~~shall require a new written notice to be given to the city~~
4 ~~utility or enterprise within thirty business days of the change~~
5 ~~in tenant. A change in tenant for a commercial rental property~~
6 ~~shall require a new written notice to be given to the city~~
7 ~~utility or enterprise within ten business days of the change~~
8 ~~in tenant.~~ When the tenant moves from the rental property,
9 the city utility or enterprise shall return the deposit if the
10 water service charges are paid in full.

11 Sec. 3. Section 384.84, subsection 4, paragraph e, Code
12 2021, is amended to read as follows:

13 e. Residential rental property where a charge for any of the
14 services of sewer systems, storm water drainage systems, sewage
15 treatment, solid waste collection, and solid waste disposal
16 is paid directly to the city utility or enterprise by the
17 tenant is exempt from a lien for delinquent rates or charges
18 associated with such services if the landlord gives written
19 notice to the city utility or enterprise that the property is
20 residential rental property and that the tenant is liable for
21 the rates or charges. A city utility or enterprise may require
22 a deposit not exceeding the usual cost of ninety days of the
23 services of sewer systems, storm water drainage systems, sewage
24 treatment, solid waste collection, and solid waste disposal
25 to be paid to the utility or enterprise. A city utility or
26 enterprise may require a deposit not exceeding the usual cost
27 of sixty days of the services of gas and electric to be paid
28 to the utility or enterprise. Upon receipt, the utility or
29 enterprise shall acknowledge the notice and deposit. A written
30 notice shall contain ~~the name of the tenant responsible for~~
31 ~~the charges,~~ the address of the residential rental property
32 that the tenant is to occupy, and the date that the occupancy
33 begins. ~~A change in tenant shall require a new written notice~~
34 ~~to be given to the city utility or enterprise within thirty~~
35 ~~business days of the change in tenant.~~ When the tenant moves

1 from the rental property, the city utility or enterprise shall
 2 return the deposit if the charges for the services of gas,
 3 electric, sewer systems, storm water drainage systems, sewage
 4 treatment, solid waste collection, and solid waste disposal are
 5 paid in full. A change in the ownership of the residential
 6 rental property shall require written notice of such change
 7 to be given to the city utility or enterprise within thirty
 8 business days of the completion of the change of ownership.
 9 The lien exemption for rental property does not apply to
 10 charges for repairs related to a service of sewer systems,
 11 storm water drainage systems, sewage treatment, solid waste
 12 collection, and solid waste disposal if the repair charges
 13 become delinquent.

14 Sec. 4. Section 562A.12, subsection 3, paragraph a, Code
 15 2021, is amended by adding the following new subparagraph:
 16 NEW SUBPARAGRAPH. (4) To satisfy debts for a tenant's
 17 delinquent utility account.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
 20 the explanation's substance by the members of the general assembly.

21 This bill relates to utilities at rental properties.

22 Under current law, an owner or landlord may request to
 23 receive a copy of the written notice of delinquent rates or
 24 charges sent by a city utility or enterprise service to an
 25 account holder. The bill specifies that such notice must
 26 be provided to the owner or landlord within 30 days of the
 27 delinquency.

28 Under current law, for a residential or commercial rental
 29 property to be exempt from a lien for delinquent rates or
 30 charges imposed by a city utility or enterprise, a landlord
 31 must provide the name of a tenant who is responsible for
 32 charges to the city utility or enterprise when the tenant is
 33 delinquent in paying rates or charges. A landlord must provide
 34 a new notice if a tenant that is responsible for a delinquency
 35 moves out.

1 The bill removes the requirement that a landlord provide
2 the name of a tenant that is responsible for a delinquency in
3 a notice to a city utility or enterprise. The bill removes
4 the requirement that a landlord provide a new notice to a
5 city utility or enterprise if the tenant responsible for a
6 delinquency moves out.

7 The bill provides that the landlord may withhold from a
8 tenant's security deposit amounts as reasonably necessary to
9 pay for delinquent utility accounts the tenant was responsible
10 to pay during the tenancy.